

*Via ECF (S.D.N.Y. and C.D. Cal.) and Email (D. Kan.)*

March 13, 2015

The Honorable Denise L. Cote  
United States District Court for the Southern District of New York  
Daniel Patrick Moynihan U.S. Courthouse  
500 Pearl Street  
New York, NY 10007

The Honorable John W. Lungstrum  
The Honorable James P. O'Hara  
United States District Court for the District of Kansas  
500 State Avenue, Suite 517  
Kansas City, KS 66101

The Honorable George H. Wu  
United States District Court for the Central District of California  
312 North Spring Street  
Los Angeles, CA 90012-4701

Re: *NCUA v. RBS Securities, Inc., et al.*, No. 11-cv-2340 (D. Kan.)  
*NCUA v. RBS Securities, Inc., et al.*, No. 11-cv-5887 (C.D. Cal.)

Dear Judges Cote, Lungstrum, Wu, and O'Hara:

Pursuant to the Courts' March 10, 2015 Order, the parties respectfully submit this supplemental status report "describing their efforts to confer regarding loan file stipulations proposed to the Nomura Defendant Group by NCUA."

There are two securitizations at issue in NCUA's cases against Nomura. NCUA only recently proposed stipulations to Nomura. NCUA first served 98 proposed stipulations directed to Nomura on January 30, 2015 (the "NHELI 2007-1 Stipulations"), and served an additional 96 stipulations directed to Nomura on February 3, 2015 (the "NAA 2006-AR4 Stipulations").

At Nomura's request, NCUA agreed to a two-week extension for Nomura to respond to the proposed stipulations. Thus, Nomura's responses to the NHELI 2007-1 Stipulations were not due until, and were served on, March 6, 2015 – the same date on which the parties submitted their most recent Loan File Reunderwriting Protocol status report ("LFRP Report") to the Courts. Nomura's responses to the NAA 2006-AR4 Stipulations were not due until, and were served on, March 10, 2015 – after the most recent LFRP Report was submitted. Nomura has now provided NCUA with responses to all of the proposed stipulations directed to it.

As set forth in its stipulation responses, Nomura disagrees with all of NCUA's proposed loan-file stipulations because it believes, among other things, that NCUA has identified the wrong bates ranges for all of the subject loans. Nomura spent considerable time and effort locating and identifying certain of the documents that it believes should have been included in NCUA's proposed stipulations, including the bates ranges of those missing documents, and it has identified those documents, and their bates ranges, on its stipulation responses.

Additionally, Nomura disagrees with all of NCUA's proposed underwriting-guideline stipulations. Unlike many of the other defendants, there was no single originator or small group of originators that originated the loans within the Nomura trusts at issue. Rather, a diverse group of unrelated originators originated the loans, which Nomura subsequently purchased on the secondary market. NCUA proposed applying a single set of Nomura underwriting guidelines to all of the subject loans. Nomura does not believe that the guidelines identified by NCUA apply to any of the subject loans. Nomura has spent considerable time and effort locating and identifying by bates number the guidelines it believes do apply to certain of the loans, and it has included the bates numbers of those guidelines within its responses.

Under § (e) of the Loan File Reunderwriting Protocol, NCUA has 21 days from the receipt of Nomura's stipulation responses to reply to them, which is March 27, 2015 for the NHELI 2007-1 Stipulations and March 31, 2015 for the NAA 2006-AR4 Stipulations. Thus, as of the date of this report, NCUA has not yet had a chance to respond to Nomura's stipulation counterproposals.

In sum, while no agreements have been reached to date, the stipulation process between NCUA and Nomura has only recently begun, is continuing, and the parties have not reached impasse on any stipulations at this time.

Respectfully submitted,

/s/ Barbara S. Steiner

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